

(d) Heads of departments and agencies within the Intelligence Community shall issue supplementary directives to their organizations consistent with this Order within ninety days of its effective date.

(e) This Order will be implemented within current manning authorizations of the Intelligence Community. To this end, the Director of the Office of Management and Budget will facilitate the required realignment of personnel positions. The Director of the Office of Management and Budget will also assist in the allocation of appropriate facilities.

GERALD R. FORD

The White House,  
February 18, 1976.

[Filed with the Office of the Federal Register, 12:36 p.m.,  
February 18, 1976]

NOTE: For the President's remarks at his news conference of February 17, 1976, announcing plans for a reorganization of the intelligence community, see page 227 of this issue.

## United States Foreign Intelligence Activities

*The President's Message to the Congress Proposing  
Legislative Reforms. February 18, 1976*

*To the Congress of the United States:*

By virtue of the authority vested in me by Article II, Sections 2 and 3 of the Constitution, and other provisions of law, I have today issued an Executive Order pertaining to the organization and control of the United States foreign intelligence community. This order establishes clear lines of accountability for the Nation's foreign intelligence agencies. It sets forth strict guidelines to control the activities of these agencies and specifies as well those activities in which they shall not engage.

In carrying out my Constitutional responsibilities to manage and conduct foreign policy and provide for the Nation's defense, I believe it essential to have the best possible intelligence about the capabilities, intentions and activities of governments and other entities and individuals abroad. To this end, the foreign intelligence agencies of the United States play a vital role in collecting and analyzing information related to the national defense and foreign policy.

It is equally as important that the methods these agencies employ to collect such information for the legitimate needs of the government conform to the standards set out in the Constitution to preserve and respect the privacy and civil liberties of American citizens.

The Executive Order I have issued today will insure a proper balancing of these interests. It establishes government-wide direction for the foreign intelligence agencies

and places responsibility and accountability on individuals, not institutions.

I believe it will eliminate abuses and questionable activities on the part of the foreign intelligence agencies while at the same time permitting them to get on with their vital work of gathering and assessing information. It is also my hope that these steps will help to restore public confidence in these agencies and encourage our citizens to appreciate the valuable contribution they make to our national security.

Beyond the steps I have taken in the Executive Order, I also believe there is a clear need for some specific legislative actions. I am today submitting to the Congress of the United States proposals which will go far toward enhancing the protection of true intelligence secrets as well as regularizing procedures for intelligence collection in the United States.

My first proposal deals with the protection of intelligence sources and methods. The Director of Central Intelligence is charged, under the National Security Act of 1947, as amended, with protecting intelligence sources and methods. The Act, however, gives the Director no authorities commensurate with this responsibility.

Therefore, I am proposing legislation to impose criminal and civil sanctions on those who are authorized access to intelligence secrets and who willfully and wrongfully reveal this information. This legislation is not an "Official Secrets Act", since it would affect only those who improperly disclose secrets, not those to whom secrets are disclosed. Moreover, this legislation could not be used to cover up abuses and improprieties. It would in no way prevent people from reporting questionable activities to appropriate authorities in the Executive and Legislative Branches of the government.

It is essential, however, that the irresponsible and dangerous exposure of our Nation's intelligence secrets be stopped. The American people have long accepted the principles of confidentiality and secrecy in many dealings—such as with doctors, lawyers and the clergy. It makes absolutely no sense to deny this same protection to our intelligence secrets. Openness is a hallmark of our democratic society, but the American people have never believed that it was necessary to reveal the secret war plans of the Department of Defense, and I do not think they wish to have true intelligence secrets revealed either.

I urge the adoption of this legislation with all possible speed.

Second, I support proposals that would clarify and set statutory limits, where necessary, on the activities of the foreign intelligence agencies. In particular, I will support legislation making it a crime to assassinate or attempt or conspire to assassinate a foreign official in peacetime. Since it defines a crime, legislation is necessary.

Third, I will meet with the appropriate leaders of Congress to try to develop sound legislation to deal with a critical problem involving personal privacy—electronic

surveillance. Working with Congressional leaders and the Justice Department and other Executive agencies, we will seek to develop a procedure for undertaking electronic surveillance for foreign intelligence purposes. It should create a special procedure for seeking a judicial warrant authorizing the use of electronic surveillance in the United States for foreign intelligence purposes.

I will also seek Congressional support for sound legislation to expand judicial supervision of mail openings. The law now permits the opening of United States mail, under proper judicial safeguards, in the conduct of criminal investigations. We need authority to open mail under the limitations and safeguards that now apply in order to obtain vitally needed foreign intelligence information.

This would require a showing that there is probable cause to believe that the sender or recipient is an agent of a foreign power who is engaged in spying, sabotage or terrorism. As is now the case the criminal investigations, those seeking authority to examine mail for foreign intelligence purposes will have to convince a federal judge of the necessity to do so and accept the limitations upon their authorization to examine the mail provided in the order of the court.

Fourth, I would like to share my views regarding appropriate Congressional oversight of the foreign intelligence agencies. It is clearly the business of the Congress to organize itself to deal with these matters. Certain principles, however, should be recognized by both the Executive and Legislative Branches if this oversight is to be effective. I believe good Congressional oversight is essential so that the Congress and the American people whom you represent can be assured that the foreign intelligence agencies are adhering to the law in all of their activities.

Congress should seek to centralize the responsibility for oversight of the foreign intelligence community. The more committees and subcommittees dealing with highly sensitive secrets, the greater the risks of disclosure. I recommend that Congress establish a Joint Foreign Intelligence Oversight Committee. Consolidating Congressional oversight in one committee will facilitate the efforts of the Administration to keep the Congress fully informed of foreign intelligence activities.

It is essential that both the House and the Senate establish firm rules to insure that foreign intelligence secrets will not be improperly disclosed. There must be established a clear process to safeguard these secrets and effective measures to deal with unauthorized disclosures.

Any foreign intelligence information transmitted by the Executive Branch to the Oversight Committee, under an injunction of secrecy, should not be unilaterally disclosed without my agreement. Respect for the integrity of the Constitution requires adherence to the principle that no individual member nor committee, nor single House of Congress can overrule an act of the Executive. Unilateral publication of classified information over the objection

of the President, by one committee or one House of Congress, not only violates the doctrine of separation of powers, but also effectively overrules the actions of the other House of Congress, and perhaps even the majority of both Houses."

Finally, successful and effective Congressional oversight of the foreign intelligence agencies depends on mutual trust between the Congress and Executive. Each branch must recognize and respect the rights and prerogatives of the other if anything is to be achieved.

In this context, a Congressional requirement to keep the Oversight Committee "fully" informed is more desirable and workable as a practical matter than formal requirements for notification of specific activities to a large number of committees. Specifically, Section 662 of the Foreign Assistance Act, which has resulted in over six separate committee briefings, should be modified as recommended by the Commission on the Organization of the Government for the Conduct of Foreign Policy, and reporting should be limited to the new Oversight Committee.

Both the Congress and the Executive Branch recognize the importance to this Nation of a strong intelligence service. I believe it urgent that we take the steps I have outlined above to insure that America not only has the best foreign intelligence service in the world, but also the most unique—one which operates in a manner fully consistent with the Constitutional rights of our citizens.

GERALD R. FORD

The White House,  
February 18, 1976.

## National Poison Prevention Week, 1976

*Proclamation 4416. February 18, 1976*

*By the President of the United States of America  
a Proclamation*

The life of a child is precious. The loss of even one child is tragic. Yet each year accidental poisonings cause too many of our Nation's children to suffer illness and injury from which they may never recover.

As every parent knows, children are by nature inquisitive. They are explorers and experimenters. It is our responsibility not only to teach them the dangers that poisonous substances present, but to provide them with a safe environment. Special packaging required under the provisions of the Poison Prevention Packaging Act of 1970 plays a major role in achieving this aim. Data recently released by the National Center for Health Statistics indicate that in the year since aspirin products were

If Congress wants the CIA to refrain from unethical practices and to be properly supervised, it can enact appropriate laws without demanding details which, through leaks or otherwise, lead to disclosure of the names of political parties and military leaders in Europe and Japan who have received CIA funds to help them prevent Soviet-supported Communist parties from taking control of their countries.

If Congress wants to prohibit U.S. companies from paying what, in effect, are commissions to foreign officials to help them sell American products abroad, Congress can enact the necessary legislation without precipitating disclosures such as those which now threaten the Dutch monarchy, one of the most pro-American, democratic institutions in Europe.

Information demanded by the Senate subcommittee on multinational corporations, headed by Sen. Frank Church, D-Idaho, who also played a prominent role in disclosing CIA secrets, led to the leaked report that Prince Bernhard of The Netherlands received \$1.1 million to help American aircraft sales in Holland. This could, according to news from The Hague, cause Queen Juliana, the prince's wife, to abdicate.

In Japan, the socialists and other opposition parties are threatening the overthrow of the American-oriented liberal-democratic government because of the Church subcommittee disclosures that Lockheed Aircraft Corp. paid \$12.8 million to influence the sale of airplanes in that country. The Japanese Communist Party is having a propaganda field day with the sensational revelations.

The Wall Street Journal said the testimony which Senator Church's subcommittee wrested from Lockheed executives about payments made to get business in Japan, Italy and The Netherlands "probably inflicted more damage on foreign governments friendly to the U.S. than any other single event in many months."

American aircraft companies, such as Lockheed and Northrop, have paid millions of dollars in so-called "consultant fees" to help sell their planes abroad. Substantial amounts of this money was channeled to political leaders or other personalities who could influence purchases in the countries concerned. French, British and German aircraft companies were doing likewise. In most instances, they simply were outbid by the American companies.

Paying money to influential people who can help you get business is a way of life in Europe and Asia. It now is being assailed by ambitious congressional politicians, eager for the television limelight and newspaper headlines, as bribery because it was done secretly. These payments, however, are not very different in principle from the commissions and fees which Washington lobbyists and well-known legal firms receive from foreign governments and companies to promote their interests in the United States.

The British, French and Germans have contracts well in excess of \$1,000,000 with American representatives to plug their wares in this country. Former Sen. Charles Goodell, who voted against the American SST plane, is chairman of DGA International, a firm representing the French manufacturer of Concorde which is committed to pay nearly \$500,000 in fees. A German tank manufacturer is pledged to pay in excess of that amount to DGA to help sell its Leopard II tank to the Pentagon. DGA is not likely to bribe American officials to make the sales, but it probably will use all possible influence short of outright bribery to help its clients in the business.

Some American officials who have had a hand in the letting of government contracts when they left government service, were hired at high salaries by the firms who bid the contracts. So the line between

outright bribery and other forms of remuneration is a narrow one even in this country.

Perhaps there should be stricter laws against influence-peddling, bribery of foreign officials by American companies and the payment of American government funds to foreign political parties, but the process of enacting them should not be done in a manner that endangers American national and commercial interests abroad.

The United States government has been giving money to the Italian Democratic political parties on and off since the end of World War II. The Italian Communist Party (CPI) has been well aware of it, but the recent Washington disclosure that the CIA has funneled at least \$8 million to those parties since last Dec. 8 has enabled the CPI to make a major propaganda issue of it. This could help the Italian Communists emerge from the next general elections as the dominant political party in Italy.

#### DOROTHY HAMILL AND THE U.S. OLYMPIC TEAM

Mr. RIBICOFF. Mr. President, amateur athletics have always played a large role in the lives of Americans. Many of the finest traditions of this Nation are symbolized by the spirit and challenge of free competition. It is fortunate that amateur athletics have again caught the attention of all Americans in this, our Bicentennial Year, for they should, and now have, taken a prominent place in our celebration of our 200th birthday.

To excel requires dedication and sacrifice, and there is no greater measure of that commitment to the pursuit of excellence than the Olympics. An Olympic medal is the highest honor an athlete can achieve. In Innsbruck, nine Americans won a total of 10 medals. During the last 20 years, no American team had won as many at the winter Olympics. Watching young Americans win medals gave all of us a sense of the ideals, the spirit, the character and the emotion that we aspire to. Our sense of ourselves and of our Nation was crystallized by the extraordinary achievement of people like Dorothy Hamill.

Dorothy Hamill of Riverside, Conn., is 19 years old. She is also the best figure skater in the world, and last week, the eyes of America were drawn to the beauty of her art. Her achievement captured our imagination. I know the people of Connecticut are especially proud of Miss Hamill, for she, like all of those who competed for the United States, brought honor to herself, to those nearest to her, to her State, and to her Nation.

I am sure all my colleagues share my admiration and respect for our Olympians. The resolution passed by the Senate yesterday is a measure of the strong gratitude all Americans feel for the members of the U.S. Olympic Team.

#### CONGRESSIONAL OVERSIGHT OF THE INTELLIGENCE COMMUNITY

Mr. BAKER. Mr. President, I rise today to make a few brief remarks complimenting President Ford with respect to the intelligence program which he announced last night.

Last evening, I was privileged to attend the President's briefing of the bipartisan

leadership of Congress prior to his press conference; and I find the President's intelligence proposals, which he outlined at that briefing and later in his press conference, to be a broad, comprehensive, and well-thought-out program. I commend the President and the staff of the Intelligence Coordinating Group, as well as Director of Central Intelligence Bush, for the hard work and keen insight which obviously went into the preparation of these reforms.

As my colleagues are aware, the President stated that the overall policy control of the intelligence community henceforth would be vested in the National Security Council. In addition, he established three units to consolidate and bring about more effective executive branch oversight of the intelligence community—a Committee on Foreign Intelligence which will be responsible for the management of the intelligence community and report directly to the NSC; an Intelligence Oversight Board which will assist the President, the NSC, and the Attorney General in monitoring possible abuses of our intelligence capability; and a reformed 40 Committee under the new title of Special Intelligence Operations Group. Thus, the President described his system as placing the NSC in control of foreign intelligence operations; the Committee on Foreign Intelligence handling the day-to-day management of the community; and the Intelligence Oversight Board monitoring any possible future abuses.

The President also suggested that Congress centralize its oversight of the intelligence community by creating a new Joint Committee on Intelligence, which he suggested could be modeled after the Joint Committee on Atomic Energy. While I originally proposed the formation of such a joint committee, in S. 317, which I had the privilege to reintroduce this term with my distinguished colleague from Connecticut, Senator WEICKER, I respectfully reserve judgment as to whether a joint committee will provide the best possible oversight requirement. It may well be that a separate Senate committee would be advisable; but, notwithstanding this dilemma, I am hopeful that we will soon enact appropriate oversight legislation.

In that respect, I note that tomorrow the Government Operations Committee will conduct a markup on the various intelligence oversight bills which have been referred to that committee, and I compliment the Government Operations Committee, its chairman, Senator RIBICOFF, and its ranking member, Senator PERCY, on the thoroughness of the congressional oversight hearings which have just concluded.

In summation, I view the President's effort to streamline and reestablish confidence in our intelligence system as being timely and worthwhile. In view of the necessity of a strong intelligence capability, and now that the President has presented his comprehensive reform of the executive branch national intelligence arrangement, I urge my colleagues to do our share by speedily passing appropriate congressional oversight legislation.

February 18, 1976

S 1780

## CONGRESSIONAL RECORD — SENATE

S. 2908—VETERANS OMNIBUS  
HEALTH CARE ACT OF 1976

Mr. CRANSTON. Mr. President, on February 2, I introduced S. 2908, the proposed Veterans Omnibus Health Care Act of 1976. Joining me as cosponsors of this comprehensive legislation were the distinguished chairman of the Committee on Veterans' Affairs (Mr. HARTKE), and the ranking majority member of the Subcommittee on Health and Hospitals (Mr. RANDOLPH). Hearings on this bill and related measures will be held before the subcommittee, which I am privileged to chair, on February 18 and 19.

When I introduced S. 2908 earlier this month, I made a brief explanatory statement which included a very brief description of the legislation's rationale and its major substantive provisions. I promised at that time to supply a more comprehensive statement and a section-by-section analysis at a future date.

PRINCIPAL PURPOSES OF THE VETERANS OMNIBUS  
HEALTH CARE ACT OF 1976  
BACKGROUND

When I assumed the chairmanship of what was then the Veterans' Affairs Subcommittee of the Senate Committee on Labor and Public Welfare in 1969, we were at an important juncture in the history of the Department of Medicine and Surgery. For a decade, the Department had provided roughly the same quantity and quality of health care in its then 166-hospital health care system. In fiscal year 1963, before the buildup of troops in Vietnam, the Department spent \$1.17 billion on medical programs, and employed approximately 130,352 people in medical and health care capacities. By 1969, 6 difficult years of war later, the Department's expenditures for medical programs had risen less than \$400 million to \$1.55 billion, and only 1,345 additional employees had been added to the Department's rolls—and this despite a bloody war that generated far more wounded veterans, and more veterans with chronic and permanent injuries, than the Korean conflict.

It was clear to me in 1969 that the capacity of the VA hospital system to cope with the demands of the Vietnam era would be seriously compromised without a substantial infusion of money and health care personnel to improve the comprehensiveness and the quality of care available in VA health care facilities. Since 1969—first as chairman of the Veterans' Affairs Subcommittee, and later as chairman of the Subcommittee on Health and Hospitals on the newly created Veterans' Affairs Committee—I have made the improvement of care provided veterans in VA hospitals one of my top legislative priorities.

Since fiscal year 1969, the VA's health care budget has more than tripled. We have provided funding for an additional 45,000 health care personnel. We have initiated numerous specialized medical programs, provided new funds for renovation and construction of VA facilities and acquisition of badly needed equipment, expanded the capacity of the VA

hospital system to train more health care professionals and personnel both for its own needs and for the needs of the Nation, and dramatically expanded the VA's authority and ability to provide outpatient and ambulatory care services.

The system's growth in the past 7 years has been tremendous. We can be generally proud of the way the VA's Department of Medicine and Surgery has coped with one of the most difficult and demanding transition periods in our history—the transition from wartime to peacetime after the longest and most divisive war of the 20th century.

## NEW PRIORITIES

Today, Mr. President, we find ourselves at another critical juncture in the history of the Department of Medicine and Surgery. With inflation eroding the purchasing power of the Federal dollar, and with the imperative of keeping overall Federal expenditures within the limits of a tight spending ceiling, is it reasonable for the VA's health care budget to expand at the same rapid rate as it has in the past 7 years? Can the Department of Medicine and Surgery continue to provide more care and services for a growing number of veterans without compromising its medical standards and efficiency?

Mr. President, I suspect that the answer to both these questions is no. I believe that the time has come to take a searching look at the present priorities within this enormous health care system, and to establish new priorities for the allocation of the VA's very large and very diverse health care capacity so as to redirect care and expenditures to the system's primary beneficiaries—veterans with service-connected disabilities. We have not been sufficiently sensitive to the needs of the service-connected veteran. The liberalization of eligibility requirements and the expanded capacity of the VA health care system in the past 7 years has primarily benefited veterans with non-service-connected disabilities.

In 1970, for the first time, eligibility for VA hospital benefits was extended to any veteran aged 65 or more, regardless of the nature of the veteran's disability, and, for the first time with respect to a non-service-connected veteran, without regard to ability to defray expense—section 610(a)(4) as amended by Public Law 91-500 and Public Law 93-82. Three years later, eligibility for outpatient care benefits was broadly expanded to include any veteran suffering from a non-service-connected disability for whom outpatient treatment would "obviate the need" for hospitalization—section 612(f)(1)(A) as added in part by Public Law 93-82.

Mr. President, I think that, after almost a decade of experience with such expanded eligibility, we must be very sure that service-connected veterans are receiving priority for their health care needs in the VA health care system.

SUMMARY OF S. 2908  
GENERAL PURPOSES

The first major purpose of the Veterans Omnibus Health Care Act of 1976 is to shape a new direction for the Depart-

ment of Medicine and Surgery after almost a decade of tremendous growth—a direction that will emphasize better and more comprehensive treatment primarily for service-connected veterans and primarily within the limits of existing resources, existing programs, and existing facilities.

A second major purpose, consistent with the first, is to resolve some of the longstanding legal and medical problems confronting the Department of Medicine and Surgery. It is not enough merely to insure that new priorities are established. We must also focus within the framework of those priorities on the effectiveness and efficiency of the Department's programs, and whether they are operating within the limits of statutory requirements.

The omnibus legislation, therefore, contains several provisions designed to improve the services provided—particularly with respect to drug and alcohol abuse treatment, compensated-work therapy, informed consent, nursing home care, and sharing of resources and coordination of programs—and the operating efficiency of existing Department programs, as well as other provisions to establish new programs for the treatment and rehabilitation of veterans—such as preventive health care, outpatient readjustment and mental health counseling, and intermediate nursing home care.

A third major purpose is to make technical and conforming changes of a minor nature in title 38 of the United States Code, in order to correct certain errors and to achieve internal consistency.

## SPECIFIC PROVISIONS

The bill has three titles: General substantive amendments, drug and alcohol amendments, and technical and conforming amendments. Mr. President, I will summarize the highlights in each title briefly.

Title I: General veterans health care and Department of Medicine and Surgery amendments.—This title includes general substantive amendments to chapters 17, 73, 81, and 82 of title 38. Among the highlights in the bill are amendments to accomplish the following objectives.

First. Require, as proposed in amendment No. 17 to S. 490 introduced by Senator ABOUREZK, periodic reexaminations of VA beneficiary travel reimbursement rates in light of rates for Federal employees under title 5, and redirect payments for such travel toward veterans receiving care for service-connected disabilities.

Second. Authorize mental health services, consultation, and professional counseling for treatment of the family of a veteran, on an outpatient basis, when necessary to the treatment of the veteran.

Third. Establish a new program to provide outpatient readjustment professional counseling for veterans—where necessary, family counseling—to assist with their readjustment problems.